

HOUSE BILL 491

Q1

2lr2573

By: **Delegate Stukes**

Introduced and read first time: February 2, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Reimbursement for Attorney’s Fees**

3 FOR the purpose of providing that a plaintiff or holder of a certificate of sale in a
4 foreclosure action may be reimbursed for reasonable attorney’s fees for certain
5 participation in a bankruptcy proceeding or for opening an estate for certain
6 purposes; providing that a plaintiff or holder of a certificate of sale in a
7 foreclosure action may be reimbursed for certain expenses incurred for opening
8 an estate for certain purposes; and generally relating to tax sales of property.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – Property
11 Section 14–833(a) and (a–1)(1) and (3)(vi)4.
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2011 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – Property
16 Section 14–843(a)(4)
17 Annotated Code of Maryland
18 (2007 Replacement Volume and 2011 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Tax – Property**

22 14–833.

23 (a) Except as provided in subsections (a–1), (e), (f), and (g) of this section, at
24 any time after 6 months from the date of sale a holder of any certificate of sale may file

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 a complaint to foreclose all rights of redemption of the property to which the certificate
2 relates.

3 (a-1) (1) The holder of a certificate of sale may not file a complaint to
4 foreclose the right of redemption until at least 2 months after sending the first of two
5 notices required under this subsection to:

6 (i) the person who last appears as owner of the property on the
7 collector's tax roll; and

8 (ii) 1. the current mortgagee of the property, assignee of a
9 mortgagee of record, or servicer of the current mortgage; or

10 2. the current holder of a beneficial interest in a deed of
11 trust recorded against the property.

12 (3) The notices required under this subsection shall include at least
13 the following:

14 (vi) a statement that if the property is redeemed after an action
15 to foreclose the right of redemption has been filed, the amount that shall be paid to
16 redeem the property is the sum of:

17 4. attorney's fees and expenses to which the holder of
18 the certificate of sale may be entitled under § 14-843(a)(4) and (5) of this subtitle;

19 14-843.

20 (a) (4) If an action to foreclose the right of redemption has been filed, the
21 plaintiff or holder of a certificate of sale may be reimbursed for:

22 (i) attorney's fees in the amount of:

23 1. \$1,300 if an affidavit of compliance has not been filed,
24 which amount shall be deemed reasonable for both the preparation and filing of the
25 action to foreclose the right of redemption; or

26 2. \$1,500 if an affidavit of compliance has been filed,
27 which amount shall be deemed reasonable for both the preparation and filing of the
28 action to foreclose the right of redemption;

29 (ii) **REASONABLE ATTORNEY'S FEES INCURRED BY THE**
30 **PLAINTIFF OR HOLDER OF A CERTIFICATE OF SALE FOR THE PURPOSES OF**
31 **DEFENSE IN A DEFENDANT'S BANKRUPTCY PROCEEDING OR FOR OPENING AN**
32 **ESTATE FOR PURPOSES OF SERVICE OF PROCESS AND NOTICE ON A**
33 **DEFENDANT'S ESTATE;**

1 (III) in exceptional circumstances, other reasonable attorney's
2 fees incurred and specifically requested by the plaintiff or holder of a certificate of sale
3 and approved by the court, on a case by case basis; and

4 [(iii)] (IV) if the plaintiff or holder of a certificate of sale provides
5 a signed affidavit attesting to the fact that the expenses were actually incurred, the
6 following expenses actually incurred by the plaintiff or holder of a certificate of sale:

7 1. filing fee charged by the circuit court for the county in
8 which the property is located;

9 2. service of process fee, including fees incurred
10 attempting to serve process;

11 3. a title search fee, not to exceed \$250;

12 4. if a second title search is conducted more than 6
13 months after the initial title search, a title search update fee, not to exceed \$75;

14 5. publication fee charged by a newspaper of general
15 circulation in the county in which the property is located;

16 6. posting fee;

17 7. postage and certified mail;

18 8. substantial repair order fee, not to exceed the fee
19 charged by the government agency issuing the certificate of substantial repair; [and]

20 9. **EXPENSES AND COSTS INCURRED FOR OPENING**
21 **AN ESTATE OF A DECEASED DEFENDANT FOR PURPOSES OF SERVICE OF**
22 **PROCESS AND NOTICE; AND**

23 10. any court approved expense for stabilization or
24 conversion of the property under § 14-830 of this subtitle or in accordance with an
25 action taken against the property by the county in which the property is located in
26 accordance with the applicable building, fire, health, or safety codes.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2012.